

**COMMONWEALTH OF MASSACHUSETTS**

**DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY**

Complaint of DSCI Corporation	)	
For Declaratory Orders to Ensure	)	Docket No. 05-28
Verizon-Massachusetts Compliance	)	
With Resale Obligations with Respect	)	
To Customer Specific Pricing Contracts	)	

**DIRECT TESTIMONY**

**OF PAMELA MCCANN ON BEHALF OF VERIZON MASSACHUSETTS**

**June 21, 2005**

1   **Q.   PLEASE STATE YOUR NAME, OCCUPATION, RELEVANT**  
2   **EMPLOYMENT AND EDUCATIONAL BACKGROUND, AND BUSINESS**  
3   **ADDRESS.**

4   A.   My name is Pamela McCann. I am an Executive Director for Wholesale  
5       Marketing and Sales for Verizon Services Corporation. In that capacity, I am  
6       responsible for the development and management of resale, UNE-P, and UNE-P  
7       replacement services. I am also responsible for the negotiation of commercial  
8       agreements for UNE-P replacement services. Members of my team and I have  
9       been the primary points of contact in Verizon for DSCI Corporation (“DSCI”) as  
10      it sought to resell Verizon Customer Specific Pricing contracts (“CSPs”).

11           I have been employed by Verizon and its predecessor companies since  
12      1983, and during this time my responsibilities have included, Director of Merger  
13      Integration for Nynex/Bell Atlantic merger, Director of Information Management  
14      for Corporate Sourcing, and IT Applications Development Manager. I have a  
15      Bachelors of Science Degree in Communications Technology from New York  
16      University. My business address is 1095 Avenue of the Americas, Room 2606,  
17      New York, New York.

18   **Q.   MS. MCCANN, WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

19   A.   The purpose of my testimony is to address certain factual allegations in the  
20      Prefiled Testimony of Mr. Sean Dandley on behalf of DSCI Corporation  
21      (“DSCI”) on May 26, 2005, and to describe the process Verizon New England  
22      Inc., d/b/a Verizon Massachusetts (“Verizon”) is formalizing to implement a  
23      CLEC’s request to resell a CSP contract for telecommunications services between

1 Verizon and a Verizon Retail business customer in Massachusetts in accordance  
2 with Verizon's obligations under the resale provisions of the Telecommunications  
3 Act of 1996.

4 **Q. HOW DID VERIZON RESPOND TO DSCI'S REQUEST TO RESELL**  
5 **THE COMA CSP?**

6 A. The availability of UNE-P, until it was recently eliminated by the Triennial  
7 Review Remand Order ("TRRO"), has made resale relatively less attractive to  
8 most CLECs. As Mr. Dandley points out on page 4 of his prefiled testimony,  
9 "[t]o my knowledge there has been little, if any, CSP resale activity to date in  
10 Massachusetts or even elsewhere nationally." Nationally, there has been only one  
11 other CLEC that has requested CSP terms and conditions from a Verizon entity  
12 for purposes of resale. As a result, Verizon did not have a formal process in place  
13 to manage resale of Verizon CSPs most efficiently. However, in response to  
14 DSCI's request, Verizon began developing a formal process to locate the  
15 requested CSPs and identify their principal terms for DSCI's consideration.

16 Since these CSPs are negotiated by Verizon's Retail lines of business, they  
17 are not readily accessible by the Wholesale organization. DSCI's initial requests  
18 were forwarded to the attorneys in Verizon's Legal Department who support the  
19 Wholesale line of business. These attorneys then coordinated retrieval of the  
20 contracts from Verizon's Retail lines of business. As explained in the testimony  
21 of Carolyn B. Jussaume, this was not a simple task, because the CSPs involved –  
22 for the Commonwealth of Massachusetts (the "COMA" CSP) and for "Customer  
23 38" – are particularly complex contracts. Although our legal experts were able to

1 describe the terms and conditions of the referenced CSPs, the process was more  
2 time consuming than we could reasonably have anticipated.

3 Over the past several years, and throughout this entire CSP inquiry,  
4 Verizon has maintained a very professional and cordial business relationship with  
5 DSCI. As reflected in the many emails provided as exhibits in DSCI's initial  
6 complaint, the parties continued to communicate with each other, and work  
7 through the issues that arose as Verizon worked through their CSP requests. As a  
8 result of our working relationship with DSCI and their input to the process, we  
9 have now designed a process that we will use and evaluate for any future requests  
10 to resell CSPs.

11 **Q. WHAT HAS VERIZON DONE TO DEVELOP THE PROCESS?**

12 A. Verizon has developed a standard request form that a requesting CLEC  
13 (Customer) will submit to its Wholesale Account Manager. Upon receipt, the  
14 Account Manager will then forward the request form to Wholesale Product Line  
15 Management (PLM) to begin the data gathering process as follows:

- 16 • Product Line Management
- 17     ○ checks the form for accuracy and adds any additional relevant
- 18     information, if applicable
- 19     ○ assigns a tracking number and redacts information that might otherwise
- 20     identify the Wholesale Customer to Verizon's Retail organization
- 21     ○ forwards the updated request form to Wholesale Legal, Retail Legal and
- 22     Retail Business
- 23

- 1       • Retail Business and Legal retrieve Customer-requested CSP contract
- 2       • Wholesale and Retail attorneys
- 3             ○ review the requested CSP and identify terms and conditions
- 4             ○ secure Retail customer authority to share terms, if required by CSP or
- 5             CPNI regulations
- 6       • Retail Legal and Product Line Management
- 7             ○ prepare a summary of contract terms for the Customer, redacting any
- 8             information that would identify the Retail customer and other information
- 9             prohibited for inclusion by CSP confidentiality provisions
- 10            ○ forwards the summary of contract terms to Wholesale Account
- 11            Management and Product Line Management
- 12            ○ Account Manager sends the summary of contract terms to the Customer
- 13            for their review
- 14       • Customer Review
- 15            ○ Account Manager makes arrangements for customer to review actual CSP
- 16            contract if requested
- 17       • Implementation
- 18            ○ Customer signs letter of acknowledgement (“LOA”) agreeing to resell in
- 19            compliance with applicable terms of ICA and applicable law
- 20            ○ PLM works with internal organizations and the Customer to implement
- 21            the resold CSP

1 Verizon is in the final stages of implementing this process which will help ensure  
2 that future CLEC requests to resell Verizon CSPs will be handled efficiently.

3 **Q. HAS VERIZON MADE THE COMA CSP AVAILABLE TO DSCI FOR**  
4 **RESALE CONSISTENT WITH VERIZON'S RESALE OBLIGATIONS?**

5 A. Yes. In the case of the COMA contract, DSCI has executed a resale letter  
6 agreement with Verizon pursuant to which DSCI acknowledged and agreed that:  
7 (1) its resale of the COMA CSP (as amended from time to time) would be in  
8 accordance with the terms and conditions of the interconnection agreement  
9 between DSCI and Verizon as in effect in the Commonwealth of Massachusetts  
10 on January 5, 2005, (2) DSCI must comply with all the terms and conditions of  
11 the COMA CSP, and (3) DSCI's right to resell the COMA CSP shall terminate  
12 upon expiration, termination or cancellation of the COMA CSP. I understand that  
13 the terms and conditions of the COMA CSP limit its availability only to "eligible  
14 entities," as defined in the COMA CSP.

15 Given the uniqueness of the Commonwealth of Massachusetts as a Retail  
16 customer, including the competitive bidding and other legal advantages that entity  
17 enjoys in securing services from carriers which are discussed in Ms. Jussaume's  
18 testimony, the Commonwealth may reasonably be considered a unique class of  
19 customer. The limitation of these agreements to "eligible entities" is reasonable  
20 in light of the Commonwealth's uniqueness as a customer. Moreover, such  
21 restriction does not discriminate against DSCI in any way since it will allow  
22 DSCI to resell the services in these CSPs to the significant list of eligible entities  
23 covered under those CSPs. In other words, DSCI can resell the services in those

1 CSPs to all of the customers Verizon serves under those agreements (provided it  
2 meets whatever other legal obligations it must meet). Since those are the only  
3 customers to whom Verizon makes these services available under those unique  
4 terms, DSCI cannot claim that not allowing it to resell these services to “non-  
5 eligible entities” is unreasonable or in any way discriminates against DSCI.

6 **Q. WHAT ARE THE VOLUME AND TERM REQUIREMENTS FOR THE**  
7 **CUSTOMER 38 CSP, AND HOW DID VERIZON PROVIDE THIS**  
8 **INFORMATION TO DSCI?**

9 A. The Customer 38 CSP states that Verizon’s annual rates for Commonwealth  
10 agencies or eligible entities are calculated based on the Commonwealth  
11 maintaining at least 80% of their usage volume as of the effective date of that  
12 CSP. If these levels are not met, the rates are to be renegotiated. In the absence  
13 of a renegotiated rate, pricing reverts to tariff pricing. There are no other  
14 termination liabilities with regard to the usage component of the CSP. As  
15 Verizon stated in its answer to paragraph 30 of DSCI’s Complaint, Verizon  
16 initially provided this information to DSCI on March 21, 2005.

17 **Q. CAN THE USAGE FROM LINES UNDER THE COMA AGREEMENT BE**  
18 **PRICED UNDER THE CORPORATE REWARDS TARIFF?**

19 A. DSCI posed the question to Verizon as to whether they could resell the COMA  
20 CSP and, at the same time, use the Corporate Rewards offer for the same end user  
21 customer. Verizon responded that the combination of usage from Corporate  
22 Rewards with the COMA CSP was not permitted. This is based on language  
23 regarding applicable usage rates in the COMA CSP. While specific usage rates  
24 are not set forth in the COMA CSP, it provides that “[l]ocal and toll usage must

1 be carried by the Telephone Company.” Tariff D.T.E. MA 12, Part A, Section  
2 4.8.1.B. The only volume discount usage plan currently available to “eligible  
3 entities” under the COMA CSP, are those available under the Customer 38 CSP.  
4 The Corporate Rewards Tariff expressly provides that it is “not available with the  
5 following usage: ... Any local, toll or circuit switched data optional calling  
6 plan/customer specific pricing (CSP) plan calls[.]” DTE MA 10, Part A, Section  
7 15.10.2.B.1. Therefore, DSCI cannot combine the monthly recurring charges  
8 under the COMA CSP with the Corporate Rewards usage rates.

9 **Q. MR. DANDLEY STATES (AT PAGES 7-8) IN HIS TESTIMONY THAT**  
10 **VERIZON REFUSED TO ALLOW DSCI TO RESELL THE CAPE COD**  
11 **FIVE CSP BECAUSE “CERTAIN CONDITIONS RELEVANT TO**  
12 **SPECIFIC SITE LOCATIONS NULLIFY VERIZON’S OBLIGATION TO**  
13 **PROVIDE [THAT] CSP PRICING TO DSCI” AND CONTENTS THAT**  
14 **VERIZON NEVER “FULLY IDENTIFIED THE NATURE OF THOSE**  
15 **ALLEGED CONDITIONS.” IS THIS ACCURATE?**

16 **A.** No. In fact, Verizon clearly specified the conditions pursuant to which DSCI  
17 would be permitted to resell the Cape Cod Five CSP. Verizon Wholesale Legal  
18 sent an e-mail to Mr. Dandley on March 23, 2005, (*See* DSCI Complaint, Exhibit  
19 P) which stated, in relevant part, “Based on [Verizon’s] understanding of the way  
20 pricing was determined under the Cape Cod Five CSP, DSCI is eligible to resell  
21 frame relay services under the Cape Code Five CSP only to customers in UNE  
22 Density Zone 3 (as noted in the tariff). The CSP specifies minimum quantities of  
23 3 Frame Relay Subscriber Network Access Lines at 384 kbps and 22 Frame Relay  
24 Subscriber Network Access Lines at 1.5 Mbps. If DSCI can meet the specified  
25 minimums (aggregating Colonial Automotive and other DSCI customer UNE



1 Density Zone 3 volumes), then DSCI would be eligible to resell this CSP to  
2 Colonial Automotive.”

3 **Q. MR. DANDLEY STATES (AT PAGES 7-8) IN HIS TESTIMONY THAT**  
4 **VERIZON REFUSED TO ALLOW DSCI TO RESELL THE COLONIAL**  
5 **CSP BECAUSE “CERTAIN CONDITIONS RELEVANT TO SPECIFIC**  
6 **SITE LOCATIONS NULLIFY VERIZON’S OBLIGATION TO PROVIDE**  
7 **[THAT] CSP PRICING TO DSCI” AND CONTENDS THAT VERIZON**  
8 **NEVER “FULLY IDENTIFIED THE NATURE OF THOSE ALLEGED**  
9 **CONDITIONS.” IS THIS ACCURATE?**

10 A. No. There is no Colonial Automotive CSP. DSCI is referring to a price quote  
11 Verizon made to Colonial Automotive. Colonial never entered into a CSP with  
12 Verizon reflecting the terms in the price quote, therefore, the price quote did not  
13 constitute a CSP, the pricing quote subsequently expired, and those terms were  
14 therefore not available for resale.

15 **Q. DOES THIS COMPLETE YOUR TESTIMONY?**

16 A. Yes.